Trade and Well-being
Proposed Indicators

GN H.5 Impact of Trade on Well-being, Labor, and Productivity

September 7th, 2022
Overview

- TT-ITS GNH.5 Sub-Group
- Manual on principal indicators - 1st & 2nd volumes
  - Micro Data Linking (MDL) and Data Sources
- Trade’s Impact on well-being, labor and productivity
  - Proposed Indicators
- Experimental Estimations and Global Consultation
- Questions for the committee
Members of the TT-ITS H.5 Sub-Group

<table>
<thead>
<tr>
<th>Organization</th>
<th>Name(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>UNCTAD (co-chair)</td>
<td>Anu Peltola</td>
</tr>
<tr>
<td>U.S. Census Bureau (co-chair)</td>
<td>Cody Hill</td>
</tr>
<tr>
<td>Banco Central de Costa Rica</td>
<td>Rigoberto Torres-Mora</td>
</tr>
<tr>
<td>Bank of Jamaica</td>
<td>Esmond McLean</td>
</tr>
<tr>
<td>BPS Statistics Indonesia</td>
<td>Atika Nashirah Hasyyati; Bambang Supriono; Rifa Rufiadi</td>
</tr>
<tr>
<td>New Zealand</td>
<td>Phil Mellor</td>
</tr>
<tr>
<td>Statistics Netherlands</td>
<td>Lico Hoekema</td>
</tr>
<tr>
<td>UNCTAD</td>
<td>Onno Hoffmeister; Olga Solleder; Mariyam Raziyeva; Daniel Ker; Katalin Bokor</td>
</tr>
<tr>
<td>UNDP</td>
<td>Yanchun Zhang; Yu-Chieh Hsu</td>
</tr>
<tr>
<td>UNIDO</td>
<td>Dong Guo</td>
</tr>
</tbody>
</table>

Any opinions and conclusions expressed herein are those of the author(s) and do not reflect the views of the U.S. Census Bureau.
Manual on principal indicators

• The 1st Volume focuses on business statistics of the following areas: (endorsed by UNSC 2022)
  • Indicators on Business Dynamics, Demography and Entrepreneurship (1-16)
  • Indicators on Globalization and Digitalization (17-38)
  • Indicators on Wellbeing and Sustainability (39-56)

• The 2nd Volume on trade statistics: (aimed for UNSC 2024)
  • Indicators on “vertical integration” (pure trade)
  • Indicators on “horizontal integration” (trade and other policy domains)

• Some overlaps are possible
Micro Data Linking (MDL) and Data Sources

- Statistical Business Registers (SBR)
- Administrative Records
- Structural Business Statistics (SBS)
- Combined Employer-employee dataset
- Structural Earning Surveys (SES)
- Labor Force Surveys (LFS)
- Annual Business Survey (ABS)
- Heath Statistics Registers
- Input/Output tables from National Accounts

Any opinions and conclusions expressed herein are those of the author(s) and do not reflect the views of the U.S. Census Bureau.
Importance of International Trade

• 2030 Agenda recognize international trade as an important means to achieve the Sustainable Development Goals (SDG)

• Trade is an engine for inclusive economic growth and poverty reduction

• Trade impacts economic well-being through its effects on employment, and income opportunities

• Trade impacts social well-being through its effects on access to goods and services, and existing inequalities
Trade and Well-being

• The effects of trade on well-being are not only material but also social and environmental
• COVID-19 highlighted the importance of access to health-related goods and services
• Trade also influences existing inequalities, both positively and negatively

• Proposed Indicators
  • Trade participation or trade intensity of women/men owned businesses
  • Share of imported goods in consumption by household type

• Proposed Conceptual Update
  • Measuring gender in addition to sex in trade statistics
Trade and Labor

• Trade is regarded as a source of economic growth

• Exports can increase income and returns and enable higher volumes of production

• Imports can increase knowledge, diversify client base and provide higher wages

• Trade affects the types of jobs available, promoting labor mobility, and the skills workers need

• Proposed Indicators
  • Employment and types of jobs by industry and trading status
  • Job creation/destruction as a result of international trade

Any opinions and conclusions expressed herein are those of the author(s) and do not reflect the views of the U.S. Census Bureau.
Trade and Productivity

- Productivity is a key source of economic growth and competitiveness
- Trade has been found to increase the average firm productivity
- Exposure to imports and exports raises the productivity threshold for business survival
- Internationally comparable indicators of productivity are central for assessing economic performance
- Proposed Indicators
  - Labor productivity levels by trade openness of countries
  - Labor income and productivity by trading status and industry

Any opinions and conclusions expressed herein are those of the author(s) and do not reflect the views of the U.S. Census Bureau.
Experimental Estimations for Principal Indicators

• Require countries and international organizations to help produce experimental estimations for new Principal Indicators
  • Starting: October 1\textsuperscript{st}, 2022
  • Ending: March 31\textsuperscript{st}, 2023

• Participation in global consultation
  • Starting: November 1\textsuperscript{st}, 2022
  • Ending: March 31\textsuperscript{st}, 2023
List of Proposed Principal Indicators

- **Productivity Related**
  - Labor productivity levels by trade openness of countries
  - Contributions of labor and capital inputs to growth by trading status and industry
  - Productivity in small and medium enterprises (SMEs) and large firms by trading status
  - Link between productivity and sustainability
  - Labor income and productivity by trading status and industry
  - Productivity impacts of shocks, such as the COVID-19 pandemic, transferred via trade
  - ICTs and e-commerce and productivity

- **Labor Related**
  - Employment and types of jobs by age, skills, education, ethnicity, trading status and industry
  - Trade-supported employment and global value chains
  - Wages and salaries by age, skills, education, ethnicity, trading status, industry
  - Employment and wages supported by trade in services
  - Impacts of trade shocks to employment and income by age, skills, education, ethnicity
  - Job creation/destruction as a result of international trade

- **Well-Being Related**
  - Income inequality of employees, entrepreneurs or self-employed by age, sex, ethnicity, education, rural/urban etc.
  - Employment share of woman and men by age, education, type of company, owner
  - Types of jobs held by women and men by age, education, type of company, owner
  - Gender pay gap by type of job, status in employment, age, education, type of company, owner
  - Trade participation or trade intensity of woman/men owned businesses
  - Affordability of imported and domestic goods
  - Share of imported goods in consumption by household type
  - Product diversification of imports
  - Consumption of traded services by type
  - Trade in healthy-diet food items
  - Emissions from transport related to global trade by type of product
  - Share of plastics trade in total trade
  - Share of waste/waste products in total trade
  - Share of creative goods and services in imports

Any opinions and conclusions expressed herein are those of the author(s) and do not reflect the views of the U.S. Census Bureau.
Conclusion

• Manual on Principal Indicators 2nd Volume
  • Indicators on “horizontal integration” (trade and other policy domains)

• Micro Data Linking (MDL) and Data Sources
  • Linking Statistical Business Registers (SBR) with other domains

• Importance of International Trade
  • Proposed Principal Indicators for Impact of Trade on Wellbeing, Labor and Productivity

• Experimental Estimations and Global Consultations
  • Starting October 1st, 2022

Any opinions and conclusions expressed herein are those of the author(s) and do not reflect the views of the U.S. Census Bureau.
Questions

• Does your national statistical system already produce well-being, labor and productivity related indicators, if not is there demand for this data by shareholder, users or policy-makers?

• Is the six-month timeframe for the experimental estimations phase enough time to produce these proposed indicators?

• Would it be beneficial to develop a maturity assessment tool for countries to plan improvements and fill data gaps in wellbeing, productivity and labor related trade data?
Thank you!

Anu Peltola
Acting Director of Statistics
UNCTAD
anu.peltola@unctad.org

Cody Hill
Statistician
U.S. Census Bureau
cody.hill@census.gov

Any opinions and conclusions expressed herein are those of the author(s) and do not reflect the views of the U.S. Census Bureau.